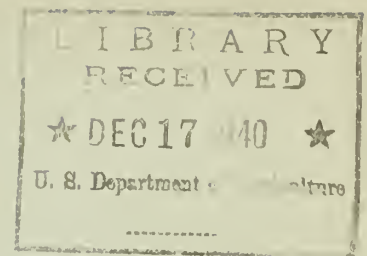


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AGRICULTURE AND NATIONAL DEFENSE

SMA HELPS RED CROSS BUY FOR FOREIGN RELIEF: Surplus Marketing Administration, at the request of the Red Cross, is buying 2,000,000 pounds of cracked wheat for shipment to China. The consignment is due out of Seattle on Christmas Day. Another consignment of 150,000 bushels of rye and 250,000 bushels of cracked wheat also earmarked for China was turned over to the Red Cross two weeks ago. FINLAND will get 1,000,000 pounds of lard. This lot, bought by SMA, has been passed by the British navicert, for early shipment. Acting as purchasing agent for the Red Cross, the SMA also recently bought a sizable quantity of relief goods to be shipped to GREECE, including 25,000 pounds of cocoa, 2,550 cases of evaporated milk, and 5,000 cotton blankets.

RUBBER NURSERY STARTED IN HONDURAS: Department scientists now in Central America have furnished materials for starting a nursery of 150,000 seedling rubber trees at Tegucigalpa, Honduras. These trees will be ready for budding with Oriental clones early next year. (Rubber trees are propagated from seed stocks much the same as peaches in this country.)

SUMMARY OF FOREIGN DEVELOPMENTS: GERMANY: Outstanding particulars of an agreement signed with Italy on Dec. 5 are reported as follows: (1) A long-time planning program to enable Italy to gear its farm output to the needs of Germany; (2) establishment of fixed prices to prevent world farm products from influencing trade between the two countries; (3) action by Germany to assure on the one hand that German agriculture will not be injured by Italian competition, and on the other hand that Italian farm surpluses will find a preferred market at satisfactory prices in Germany; (4) close cooperation between the two countries in agricultural experimentation, in plant and animal disease control, in improved seed production, in improvements in animal husbandry, in soil agronomy, and in food processing, preservation and storage. Indications are that the main objective is to rationalize the production and exchange of farm products between the two countries with Italy concentrating on products which do not compete with products of German agriculture. To accomplish this, Italian farmers apparently are promised a market at attractive prices in Germany for all production resulting from increased planting. It remains to be seen what products from the German side are to be exchanged for the Italian farm output.

RUMANIA: A 10-year economic agreement was signed with Germany on Dec. 4. Reports indicate that under the agreement Germany is to grant long-time credits to Rumania. The existing collaboration between the two countries in the field of agriculture and forestry is to be intensified. Germany is to supply Rumania with needed farm implements and equipment for drainage and irrigation,

as well as technical assistance to promote industrial production. Germany is to assist Rumania in expanding its transportation system (including railways, highways, and pipelines) in order to effect deliveries to Germany. Both Governments agree that the German market is to remain a dependable outlet for all Rumanian surpluses at suitable prices, and independent of economic crisis, and that German participation in the Rumanian market is to be increased.

RUSSIA: An agreement signed with the Slovak Republic on Dec. 6 provides for the mutual extension of most favored nation treatment. Slovakia is to furnish Russia with cables, electric motors, steel pipe, and yarn in exchange for Russian cotton, grain and phosphates.

GREECE: The Minister of Merchant Marine advises that arrangements have been made for steamship service from Piraeus to New York. Monthly sailings will be made via the Suez Canal and South Africa starting Dec. 15. Calls at other Greek or Eastern Mediterranean ports and American North Atlantic ports, will be optional with operators, based on available cargo. Three additional ships will leave soon for the U.S. in order to move Greek tobacco bought by Americans.

UNITED KINGDOM: The Ministry of Food announced that milk consumption by "ordinary consumers" during the next few weeks would have to be reduced by 10 percent because the level of supply was below requirements. Mothers, children, and hospitals will receive special consideration. Milk supplies for manufacture are to be reduced drastically, sales of sweetened condensed milk have been restricted to 40 percent and those of unsweetened and skimmed to 25 and 20 percent of normal supplies respectively.

SWEDEN: The Prime Minister stated that while the food situation was difficult there was no reason for pessimism.

